
Key FDI Policy Initiatives for Ease of Doing Business

Department for Promotion of Industry & Internal Trade
Ministry of Commerce and Industry
Government of India

FDI Policy: Liberalised Investment Framework

- FDI policy framework follows a negative list approach where:
 - 100% FDI permitted under Automatic Route in a large number of sectors.
 - No prior Government approval required in these sectors
- Major sectors with 100% automatic FDI includes - Manufacturing, Construction Development, IT & IT-enabled services, Trading (Wholesale and Retail), including e-commerce, Pharmaceuticals, Renewable Energy, Airports and certain other infrastructure
- Government approval is retained only for strategic and sensitive sectors; rest all sectors under 100% Automatic Route.
- Overall framework aims to facilitate foreign investment, reduce approval requirements and improve EoDB

Investments from Countries sharing Land Border with India (LBC)

- As per Press Note 3, Government Approval is required for -
 - LBC investments or
 - Where the beneficial owner of an investment into India is from LBC (*irrespective of any threshold*)
- Additionally, any transfer of ownership of any existing or future FDI into Indian entity resulting in beneficial ownership (BO) falling in LBC would also require Government approval
- Stakeholders expressed difficulty due to ambiguities w.r.t definition of BO
 - Investments from non-strategic, non-controlling interests was seen as adversely affecting investment flows from investors including global funds such as PE/ VC funds.
- **The policy was reviewed and has been vide Press Note 2 of 2026 :**
 - Beneficial ownership assessed now at the investor-entity level.
 - Non-controlling LBC ownership up to 10% permitted is now permitted under automatic route subject to sectoral caps, entry route and other conditions. **(threshold defined)**
 - LBC investments below 10% would only require reporting

Expedited approval for 'Specified Sectors'

- LBC investments in 'Specified Sectors' in Indian owned and controlled entities have been identified for the expeditious disposal :
 - Capital Goods Manufacturing
 - Electronic Capital Goods
 - Electronic Component Manufacturing
 - Polysilicon and ingot-wafer
 - Advanced Battery Components
 - Rare Earth Permanent Magnets
 - Rare Earth Processing
- FDI Applications of these sectors shall be decided within 60 days.
- List of specified sectors may be modified based on the assessment of the sectors.

| Foreign Investment Facilitation (FIF) Portal

- Single-window platform for processing FDI proposals requiring Government approval.
- Provides an end-to-end digital process for FDI proposals.
- Enables online submission, processing and tracking of proposals.
- Facilitates inter-ministerial consultation through a common platform.
- Improves transparency and coordination among Ministries/Departments.
- Reduces processing time and paperwork for investors.
- Supports faster and more efficient FDI approvals.
- Strengthens Ease of Doing Business in India.

Thank you

Sectors under Govt Route

Sector/Activity	Cap	Govt. Approval
Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities	100%	Upto 100%
Food Product Retail Trading	100%	Upto 100%
Defence	100%	Beyond 74%
Publishing/printing of scientific and technical magazines/specialty journals/ periodicals	100%	Upto 100%
Publication of facsimile edition of foreign newspapers	100%	Upto 100%
Air Transport Services (Scheduled and Regional air transport)	100%	Beyond 49%
Satellites Manufacturing, Data Products, Ground segment	100%	Beyond 74%
Launch Vehicles, Associated Systems, Spaceport	100%	Beyond 49%
Pharmaceutical – Brownfield	100%	Beyond 74%
Core Investing Companies and unregistered Investing companies	100%	Upto 100%
Unregulated Other Financial Services	100%	Up to 100%
Banking- Private Sector	74%	Beyond 49%
Multi Brand Retail Trading	51%	Upto 51%
Broadcasting Content Service: Terrestrial Broadcasting FM (FM Radio); Up linking of 'News & Current Affairs' TV Channels	49%	Upto 49%
Private Security Agencies	49%	Up to 49%
Uploading/ Streaming of News &Current Affairs through Digital Media	26%	Upto 26%
Print Media - Publishing of newspaper/periodicals dealing with news and current affairs, Indian editions of foreign magazines dealing with news and current affairs	26%	Upto 26%
Banking- Public Sector	20%	Upto 20%